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Keynote address
by
Ms. Fekitamoeloa Katoa ‘Utoikamanu
High Representative
and
Under-Secretary-General
for the Least Developed Countries, Landlocked Developing Countries
and Small Island Developing States

Global SG7 Conference

Side Event:
Energy access for structural transformation and sustainable development in
Least Developed Countries

Venue: ESCAP, Meeting Room F

Bangkok, Thailand
21 February 2018
10:10 a.m – 11:40 a.m.
Excellencies, colleagues, ladies and gentlemen (tbc)
a very warm welcome to all of you!

- this is a meeting I have very much looked forward to.

It is so encouraging to see the high level of representation from the least developed countries together with our development partners, representatives of the private sector and civil society as well as representatives of international organisations and development banks.

As they say, “it takes a village”. You here are this village and I look to you as our guides and our partners in trying to find actionable ways forward on the four questions our meeting focuses on:

• How should LDCs best steer their sustainable energy mix to support structural transformation and poverty eradication?

• To what extent do present energy policy choices of LDCs condition the longer-term composition of output, employment and trade in these countries?

• What are the possible financing alternatives to cover LDCs’ huge energy investment needs?

• What is the potential for more energy-efficient technologies and cost reductions in renewable energy (including biofuel technologies) in LDCs?

Allow me to share a few thoughts with you on why these questions are so critical to moving Agenda 2030 and the Paris Climate Agreement forward.

This is about finding concrete, operational ways for leaving no one behind, for achieving the equitable and sustainable development we desire for our present and future generations.

My first message is -

these are not questions we deal with for the sake of it. It is not about narrow sectoral approaches.

Access to energy and extending access to energy for all is the key driver, the key means to ensure no one is left behind, the equitable and sustainable development of the Istanbul Programme of Action and then Agenda 2030 aspire to REALITY.

Considerable progress has been achieved but my message is we must move faster and turn words into action.

Recent data show too clearly that we need to accelerate both progress and outreach especially to the most vulnerable.

Let us not talk about this just in abstract or macro terms.
Think of your own families, your children.

Would you want to see your child, especially the girls, spend several hours per day collecting firewood instead of going to school?
Would you want your daughter coming home in the dark with all the risks this can involve?
Would you want to be deprived of functioning scanners, reliable energy supply in the hospital where you have surgery?
Would you want to inhale toxic biomass fumes every day?
Would you want to experience year after year the effects of climate change due to deforestation triggered by firewood consumption?

We often forget that energy in so many ways is a key means to open up opportunity space for people, real human beings women, men, girls and boys to build more inclusive and sustainable life paths.

This ultimately is what we strive for - to find ways through exchanging experience so that we move from words to action!

My sincere hope is that we leave this side event as even stronger partners who have discussed priority areas for action from the vantage point of the LDCs and their partners.

By working as partners, I am confident, we can turn SDG7 from a promise to reality and contribute to the implementation of the energy targets of the Istanbul Programme of Action.

Excellencies, Ladies and Gentleman

Back in 2010 it was already clear how universal energy access would be so critical to structural transformation and enhanced global integration of the LDCs.

Energy is a priority area in the Istanbul Programme of Action.

Moving forward to 2018, nearly half of all firms in LDCs continue to identify electricity as a major constraint on their full operation. This must change if we want LDCs to build more resilient economies and societies.

We have a short period of 24 months to go to the 2020 target date of the programme.

Yes, progress has been achieved since the adoption of the IPoA.

At the same time, in 2014, the majority (54 per cent) of people without access to electricity worldwide were living in LDCs.

While the average global electrification rate reached 85% in 2014, the average access to electricity across LDCs hovered at 38%.

These are mere averages masking a critical reality we need to explore. These averages do not reflect the considerable regional and in-country disparities such as the rural-urban divides. In 2014, for example, an average 69% of the urban population had electricity access compared to only 26% of rural populations.
These averages also do not tell us much about the environmentally friendly - or should I say unfriendly - quality of energy!

Yet, to me the messages are clear:

First - energy transition needs to be fast-tracked with a sense of urgency in LDCs if we want to ensure SDG 7 is more than a promise and if we truly wish to leave no one behind.

Second - making energy access universal in LDCs means we must focus a lot more on how equitable spatial access to energy can be achieved.

I know that this is easier said than done. I myself come from a country that knows what geographic fragmentation means for policy implementation and lack of cost-efficiency when you try to provide basic services to all!

We need to address this and it means better understanding of and enhanced focus on the needs of households, producers, and the capacities of public and private service providers.

A more explicit focus on the local needs of energy access is also critical for our climate change goals. The adverse impacts of climate change are already severely affecting many LDCs.

LDCs want to transform their economies and societies into resilient and sustainable ones. Modern, sustainable energy can support these efforts.

Achieving this - and this is my third message here - requires a strong national vision, leadership, solid national strategy and above all implementation capacity.

Capacity and strengthening capacity is an issue that concerns me. I wish to highlight two key aspects: how do we strengthen capacity for the design, financing and implementation of bankable projects and how do we ensure greater outreach in implementation to more remote areas in more participatory processes?

These questions are closely linked to another issue - and this is my fourth point here - that of improving access to energy finance.

The investment needs are such that domestic resources alone will not suffice and public-private partnerships are a must. But how can we best support LDCs in building negotiation capacity, how can we simplify access to international finance available without compromising transparency and accountability in funding?

Excellencies, Ladies and Gentleman,

Life without challenges does not exist even if we would hope for it!

Perhaps my remarks have leave you with the impression that we are confronted with an enormous challenge.

There are many reasons to be optimistic and to say "WE CAN".
strong national ownership for energy transition exists, and LDCs are eager to scale-up and speed-up their energy initiatives.

2. A majority of LDCs are endowed with vast reserves of renewable energy resources. With access to new technologies and in-situ creation of higher value-added chains in using these resources, many new solutions for gaining energy access through grid, mini-grid and off-grid solutions are possible.

3. Success stories exist already.

I just want to mention one.

In Bangladesh, the innovative financing model for Solar Home Systems has led to the rapid expansion of their use and over 4.5 million Solar Home Systems were installed all over Bangladesh to date.

The programme has ensured supply of solar electricity to 18 million people i.e. 12% of the country’s total population who previously used kerosene lamps for lighting purpose.

The Solar Home Systems programme has also generated a positive impact on the local manufacturing industry. Initially, batteries were the only component produced in Bangladesh. However, gradually all components (including solar panels) began to be produced locally in Bangladesh.

So “WE CAN“ and I add, “WE MUST“.

Excellencies, Ladies and Gentleman,

My Office has brought you all together - leaders, Energy Ministers, development partners - to explore in concrete terms what we can do to improve energy access for all.

OHRLLS recently held two regional meetings focused on accelerating the sustainable energy transition in the LDCs — one for Asia-Pacific LDCs that took place in Nepal and one for African LDCs in Tanzania.

We authored a report looking at promoting investment for energy access in Least Developed Countries.

In April, we will organise an event on financing energy access on the margins of the World Bank spring meetings for LDC Ministers.

These efforts have one aim: it is about ensuring that the views and needs of those furthest left behind are heard and then to determine what we must do to turn SDG7 from words into a reality where truly no one is left behind.

Your strong and active participation is so critical in this effort.

Please actively participate, let us engage in open and constructive discussions because all of us here want SDG 7 to happen!

Tomorrow, I will deliver remarks in the opening session of the SDG7 Conference.
I would like to convey the key messages from this meeting to the larger audience and show why making energy access for all in LDCs happen not only is smart investment but critical for the achievement of Agenda 2030.

Thank you.